

## NORDAM'S ADDITIONAL TERMS AND CONDITIONS FOR U.S. GOVERNMENT PROGRAMS

The following terms and conditions are incorporated into each Purchase Order issued by The NORDAM Group, Inc. ("Buyer") to support a U.S. government prime contract or sub-contract ("Order"). The entity to which the Order is issued is referred to as "Seller."

The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses and other provisions identified below, each as in effect on the dates shown, are incorporated by reference into the Order. Except as noted after each clause identified below, whenever necessary to make the context of the FAR and DFARS clauses applicable, the term: "Contractor" means "Seller"; "Contracting Officer" means "Buyer," "Contract" means this Order; "Government" means "Buyer or the Government." However, the words "Government" and "Contracting Officer" do not change (1) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, (2) when title to property is to be transferred directly to the Government, and (3) in FAR 52.227-1, 52.227-2, 52.227-11 and DFARS 252.227-7013, 252.227-7014, 252.227-7015, 252.227-7016, 252.227-7019, 252.227-7025, 252.227-7027, 252.227-7037, 252.227-7039, and 252.246-7001. Seller shall include these clauses in each of its subcontracts without alteration except (a) to identify the parties and (b) as otherwise noted below.

1. 52.203-3 Gratuities (APR 1984).
2. 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1995). (This clause applies if the Purchase Order exceeds \$100,000.)
3. 52.203-7 Anti-Kickback Procedures (JUL 1995). (This clause applies if the Order exceeds \$100,000, except that Paragraph (c)(1) of this clause does not apply to this Order. Paragraph (c)(4) is revised by deleting "The Contracting Officer may" and inserting "To the extent the Contracting Officer has effected an offset at the Prime Contract level or has directed Buyer to withhold any sum from the Seller, Buyer may . . .")
4. 52.203-10 (Price or Fee Adjustment for Illegal or Improper Activity) (JAN 1997). (This clause applies if the Order exceeds \$100,000.)
5. 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 2003). (This clause applies if the Order exceeds \$100,000.)
6. 52.203-13 Contractor Code of Business Ethics and Conduct (Dec 2008). (This clause applies if this Order exceeds \$5,000,000 and has a performance period of more than 120 days. All disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.)
7. 52.203-14 Display of Hotline Poster(s) (DEC 2007). (This clause applies if this Order exceeds \$5,000,000 and the Government agency involved has a fraud hotline poster. This clause does not apply, however, if this Order is for the acquisition of a commercial item or will be performed entirely outside the U.S.)
8. 52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (MAR 2009). (This clause applies if this Order is funded in whole or in part with funds from the Recovery Act.)
9. 52.211-5 Materials (AUG 2000).
10. 52.211-15 Defense Priority and Allocation Requirements (APR 2008).
11. 52.215-2 Audit and Records – Negotiation (JUNE 1999). (This clause applies if the Order exceeds \$100,000 and this Order is one for which cost or pricing data is requested.)

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12. Cost or Pricing Data--
- a. Seller's Certification.
    - (i) If the Price of this Order exceeds \$650,000 when entered into, the Seller shall submit, actually or by specific identification in writing, cost or pricing data.
    - (ii) Prior to the pricing of any Order change or modification which involves aggregate price increases and/or decreases exceeding \$650,000, Seller shall submit, actually or by specific identification in writing, cost or pricing data.
    - (iii) The submissions referenced in the two subsections immediately above (12.a.(i) and 12.a.(ii)) are not required where the price is based on (a) adequate price competition, (b) established catalog or market prices of commercial items sold in substantial quantities to the general public, (c) prices set by law or regulations, or (d) the acquisition of a commercial item or modification to a commercial item.
    - (iv) With respect to subsection 12.a.(i), Seller has certified, and with respect to subsection 12.a.(ii), Seller shall certify, in substantially the same form prescribed in FAR § 15.406-2, entitled "Certificate of Current Cost or Pricing Data," that to the best of Seller's knowledge and belief, the cost and pricing data submitted under subsections 12.a.(i) and 12.a.(ii) are accurate, complete and current as of the date of agreement on the negotiated price of this Order or any Order change or modification.
  - b. Price Reduction For Defective Data.
    - (i) If the Government Contracting Officer under the Prime Contract determines that any price, including profit, negotiated in connection with such Prime Contract, or any cost reimbursable under such Prime Contract, was increased by any sum because Seller, or any subcontractor of Seller, pursuant to the terms or conditions of this Order, furnished incomplete or inaccurate cost or pricing data or data not current as certified in Seller's Certificate of Current Cost or Pricing Data, and if such Prime Contract price, including profit, or any cost reimbursable under such Prime Contract, shall be reduced by reason thereof; then, in such event, the price negotiated in connection with this Order shall be reduced accordingly, and this Order shall be modified in writing to reflect such reduction, and any amount paid Seller by Buyer in excess of the amount due Seller under this Order after said reduction is made shall be promptly paid by Seller to Buyer upon demand.
    - (ii) In the event of any price reduction pursuant to this section, Seller shall be bound by the determination of the Government Contracting Officer, provided that Buyer shall have promptly notified Seller of the decision of the Contracting Officer reducing the Prime Contract price; and, if timely requested by Seller, Buyer shall have appealed such decision in accordance with the "Disputes" section of this Order (Section 25 of the NORDAM Purchase Order Terms and Conditions) and shall have taken such further action as may be required under that section and this section. Excluded from such reduction, however, shall be Buyer's burden and profit or fee applied to defective cost and pricing data of Seller and its subcontractors and suppliers.
13. 52.215-10 Price Reduction for Defective Cost or Pricing Data (OCT 1997). (This clause applies to the Order if it exceeds \$650,000 and Seller does not qualify for an exemption. In Paragraph (c), the term "Contracting Officer" does not change. The Seller shall provide cost or pricing data and execute a "Certificate of Current Cost or Pricing Data" in the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if the Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or exposure.
14. 52.215-11 Price Reduction for Defective Cost or Pricing Data – Modifications (OCT 1997). (Same comments apply for this clause as for FAR 52.215-10, except that in Paragraph (d) the term "Contracting Officer" does not change.)
15. 52.215-12 Subcontractor Cost or Pricing Data, (OCT 1997). (Same comments apply for this clause as for FAR 52.215-10.)
16. 52.215-13 Subcontractor Cost or Pricing Data – Modifications (OCT 1997). (Same comments apply for this clause as for FAR 52.215-10.)
17. 52.215-14 Integrity of Unit Prices (OCT 1997). (This clause applies if the Order exceeds \$100,000.)

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18. 52.215-15 Pension Adjustments and Asset Reversions (OCT 2004). (This clause applies if cost or pricing data is required under the Order or a-post-award cost determination will be subject to FAR Part 31.)
19. 52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions, (OCT 1997). (Same comments apply for this clause as for FAR 52.215-15.)
20. 52.215-19 Notification of Ownership Changes (OCT 1997). (Same comments apply for this clause as for FAR 52.215-15.)
21. 52.215-20 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (OCT 1997). (This clause applies if cost or pricing data or information other than cost or pricing data will be required.)
22. 52.215-21 Requirements for Cost or Pricing Data or Information other than Cost or Pricing Data – Modifications (OCT 1997). (Same comments apply for this clause as for FAR 52.215-20.)
23. 52.219-8 Utilization of Small Business Concerns (MAY 2004). (This clause applies if this Order exceeds \$100,000.)
24. 52.219-9 Small Business Subcontracting Plan (NOV 2007). (This clause applies if the Order offers subcontracting opportunities that exceed \$550,000, and the clause does not apply to small business concerns.)
25. 52.222-1 Notice to the Government of Labor Disputes (FEB 1997).
26. 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (JUL 2005). (The Buyer may withhold or recover from Seller any sums the Customer or Contracting Officer withholds or recovers from Buyer because of a violation of a provision of this clause by the Seller or the Seller's subcontractor.)
27. 52.222-20 Walsh-Healy Public Contracts Act (DEC 1996). (This clause applies if this Order exceeds \$10,000.)
28. 52.222-21 Prohibition of Segregated Facilities (FEB 1999).
29. 52.222-26, Equal Opportunity (MAR 2007).
30. 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEPT 2006). (This clause applies if the Order is for \$25,000 or more.)
31. 52.222-36, Affirmative Action for Workers with Disabilities (JUNE 1998). (This clause applies if the Order exceeds \$10,000. Paragraph (b)(2) is revised to delete "provided by or through the Contracting Officer" and to insert "provided upon request of the Contracting Officer through the Buyer.")
32. 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). (This clause applies if the Order includes FAR 52.222-35.)
33. 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (DEC 2004). (This clause applies if the Order exceeds \$100,000.)
34. 52.222-41 Service Contract Act of 1965 (NOV 2007).
35. 52.222-50 Combating Trafficking in Persons (FEB 2009).
36. 52.222-54 Employment Eligibility Verification (JAN 2009). (This clause applies if the Order exceeds \$100,000. The Seller is to flow down this clause, if applicable, to all subcontracts over \$3,000 for services, except commercial services related to COT(s) or construction.)

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37. 52.223-3 Hazardous Material Identification and Material Safety Data (JAN 1997). (This clause applies if the Order will require delivery of hazardous materials.)
38. 52.223-11 Ozone Depleting Substances (MAY 2001). (This clause applies if the Order is for a Product that may contain or be manufactured with an ozone-depleting substance.)
39. 52.223-14 Toxic Chemical Release Reporting (AUG 2003).
40. 52.225-8 Duty-Free Entry, February 2000. (This clause does not apply when DFARS 252.225-7013 applies.)
41. 52.225-13 Restrictions on Certain Foreign Purchases (MAR 2005).
42. 52.227-1 Authorization and Consent (JULY 1995).
43. 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996). (This clause applies if the Order exceeds \$100,000.)
44. 52.227-11 Patent Rights – Ownership by Contractor (Short Form) (DEC 2007). (The term "Government" means "U.S. Government.")
45. 52.232-17 Interest (JUNE 1996).
46. 52.242-13 Bankruptcy (JULY 1995). (This clause applies if this Order exceeds \$100,000.)
47. 52.244-5 Competition in Subcontracting (DEC 1996).
48. 52.244-6 Subcontracts for Commercial Items (FEB 2009).
49. 52.245-1 Government Property (Fixed-Price Contracts) (MAY 2004), Alternate 1 (MAY 2004).
50. 52.245-17 Special Tooling (APR 1984).
51. 52.245-18 Special Test Equipment (FEB 1993).
52. 52.247-63 Preference for U.S. Flag Air Carriers (JUNE 2003).
53. 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006). (This clause applies if the Order may involve ocean transportation of supplies subject to the Cargo Preference Act of 1954.)
54. 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies (DEC 2004).
55. 252.209-7004 Subcontracting with Firms That Are Owned or Controlled by the Government of a Terrorist Country (MAR 1998). (This clause applies if the Order exceeds \$100,000.)
56. 252.211-7000 Acquisition Streamlining (DEC 1991). (This clause applies if the Order exceeds \$1 million. The term "Government" is not changed in this clause.)
57. 252.215-7000 Pricing Adjustments (DEC 1991). (This clause applies if the Order includes FAR 52.215-11.)
58. 252.219-7003 Small Business Subcontracting Plan (DoD contracts) (APRIL 2007). (This clause applies if the Order includes FAR 52.219-9.)
59. 252.223-7001 Hazard Warning Labels (DEC 1991). (This clause applies if the Order requires submission of hazardous material data sheets.)

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60. 252.225-7001 Buy American Act and Balance of Payments Program (JUNE 2005). (The term "Government is not changed in this clause.)
61. 252.225-7002 Qualifying Country Sources as Subcontractors (APRIL 2003). (This clause applies if the Order includes DFARS 252.225-7001.)
62. 252.225-7012 Preference for Certain Domestic Commodities (DEC 2008). (This clause applies if the Order exceeds \$100,000.)
63. 252.225-7013 Duty – Free Entry, (JUN 2005). (This clause applies to the Order if the Product is to be accorded duty free entry under the Prime Contract.)
64. 252.225-7014 Preference for Domestic Specialty Metals (JUN 2005) Alternate I (Deviation 2008-00002). (This clause applies requires delivery of an article containing specialty metals.)
65. 252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (SEPT 2004). (This clause applies of the Order exceeds \$500,000.)
66. 252.227-7013 Rights in Technical Data – Noncommercial Items (NOV 1995). (The phrase "to the Contractor" is deleted from paragraph (b)(1)(vi); and the terms "contract or" and "thereunder" are deleted from paragraph (b)(1)(ix). The term "Buyer or" is added before the term "Government" in paragraphs (c) and (i). The second and third references of "Contracting Officer" are changed to "Government" in paragraph (e)(4). And the phrase "[A]nd the Government" is added after the term "parties" in paragraph (h)(1). In paragraph (h)(2), the term "sixty (60) days" is changed to "thirty (30) days." Finally, the term "Government" means "U.S. Government".)
67. 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 1995). The phrase "[T]o the Contractor" has been deleted from paragraph (b)(1)(iii); and the term "contract or" and the phrase "thereunder" have been deleted from paragraph (b)(1)(vi). The term "Buyer or" is added before the term "Government" in paragraph (i). The second and third occurrences of "Contracting Officer" have been changed to "Government" in paragraph (e)(4). The phrase "[A]nd the Government" is added after the term "parties" in paragraph (h)(1). In paragraph (h)(2), "sixty (60) days" is changed to "thirty (30) days." Finally, the term "Government" is changed to "U.S. Government.")
68. 252.227-7015 Technical Data – Commercial Items (NOV 1995). (This clause applies when commercial item technical data is deliverable to the Government by the prime from the Seller. The term "Government" means "U.S. Government.")
69. 252.227-7016 Rights in Bid or Proposal Information (JUNE 1995). (This clause applies when DFARS 252.227-7013 is included. No substitution for the terms "Government" or "Contracting Officer" are made; however, "Government" means "U.S. Government.")
70. 252.227-7019 Validation of Asserted Restrictions – Computer Software: (JUN 1995). (This clause applies when DFARS 252.227-7014 is included. The term "Buyer" is substituted for "Contracting Officer (C.O.)" in paragraph (b); otherwise no substitutions are made for the terms "C.O." or "Government." The term "Government," however, means "U.S. Government." In paragraphs (f)(5) and (f)(6), the term "the Prime Contract" is substituted for "this contract.")
71. 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 1995). (This clause applies when DFARS 252.227-7013 or 252.227-7014 is used. The term "Government" means "U.S. Government.")
72. 252.227-7027 Deferred Ordering of Technical Data or Computer Software (APRIL 1988). (This clause is included when a firm requirement for a particular data item(s) has not been established prior to award of the Order but there is a potential need for the data. The term "Government" means "U.S. Government.")

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73. 252.227-7037 Validation of Restrictive Markings on Technical Data (SEPT 1999). (This clause applies when DFARS 252.227-7013, 252.227-7014, or 252.227-7015 is included. In paragraph (b), the term "Contractor's" remains in the clause with a lower case "c." In paragraphs (c) and (d)(1), the term "hereunder" is inserted after the term "subcontract." In paragraphs (f) and (g)(2)(i), change the term "this contract" to "the Prime Contract." In paragraph (i), change the term "a contract" to "the Prime Contract." Finally, "Government" means "U.S. Government", and there is no substitution made for the term "Contracting Officer.")
74. 252.227-7039 Patents – Reporting of Subject Inventions (APR 1990). (This clause applies when FAR 52.227-11 is included. The term "Government" means "U.S. Government.")
75. 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (DEC 1991).
76. 252.231-7000 Supplemental Cost Principles (DEC 1991).
77. 252.243-7001 Pricing of Contract Modifications (DEC 1991).
78. 252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (MAR 2000).
79. 252.245-7001 Reports of Government Property (MAR 2000).
80. 252.246-7001 Warranty of Data (DEC 1991). (This clause applies when DFARS 252.227-7013 is included and technical data is deliverable to the Government. In paragraph (b), the parenthetical phrase is deleted. In paragraph (d)(1), including (ii), and (d)(2), the term "Buyer" has been substituted for "Contracting Officer." )
81. 252.247-7023 Transportation of Supplies by Sea (MAY 2002). (This clause applies if the Order exceeds \$100,000.)
82. 252.249-7002 Notification of Anticipated Contract Termination or Reduction (DEC 1996).
83. To the maximum extent practicable, the Seller shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this Order. "Commercial item" has the meaning contained in FAR 2.101, Definitions.
84. Seller represents that the Product has been or will be produced in full compliance with Sections 6, 7, 12, and 15 of the Fair Labor Standards Act of 1938 (29 U.S. Code 201-219), as amended, and of regulations and orders of the United States Department of Labor under Section 14 thereof. Furthermore, Seller shall not provide any Product that contains asbestos and shall submit a certification to the Buyer on demand that the Product contains no asbestos.